PRESIDENT: Senator Stoney, I've recognized you twice. Okay. Is that a question? Senator Stoney, you can respond to the question.

SENATOR STONEY: Mr. President, members of the Legislature, in answer to Senator Kelly's question, the only affect and I agree with the concept but Senator Kelly, the individuals that would be affected would be all policy owners. In your particular example, it would be terrific for those people that borrow from their policies and I believe that you could say maybe 25 percent of the people that have life insurance policies, borrow on their policies. They indeed would make a profit but through the reduction in the asset,the other 75 percent are the ones that suffer because they are not the ones that have taken the cash values, reinvested, made that additional $20.00. So, they are the ones that are being discriminated against due to the fact that their dividends will be proportionately reduced due to the reduction in the assets of the insurance company. From the standpoint of the stock companies, their policies would have to be increased in price when the assets are reduced. You would benefit, yes, maybe 25 percent of the people. Those that borrow against their policies but to the disadvantage of the other 75 percent who never do borrow against their policies.

PRESIDENT: Senator Wiltse.

SENATOR WILTSE: Mr. Chairman, Senator Kelly, I presume you realize that borrowing a $1,000 on this policy you're talking about, is taking all of the value that has been accumulated in that policy up to the present time. This bill is affective only for the future, not for the past. That's the first item. Let's imagine illustration of $1,000 that you're talking about. If the individual should die, he has borrowed all of the value of his policy and has nothing left whatsoever. So, the consequence, I think your illustration is not very proper for what we're trying to accomplish.

PRESIDENT: Senator Kelly.

SENATOR KELLY: Mr. President, members of the Legislature, please count this as my number two so I won't talk anymore.

PRESIDENT: It's so ordered.

SENATOR KELLY: Senator Stoney, if there's anything in this bill that prohibits people from borrowing on their life insurance policy, it's discriminatory. If there's anything in this bill that precludes people from borrowing on their life insurance, on the open market, which in my opinion it does, then it discriminates. Those 75 percent of the people,that you mentioned in your answer,do not borrow on their life insurance policy, they're not in the equation. They have done that by their own decision, not to borrow the money. It would appear to me that when the market is such that you can loan or invest at 8 percent